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INTRODUCTION

Charlevoix County Prosecuting Attorney (PA) had a contract with the Michigan Family Independence Agency (FIA) to establish paternity and to obtain support orders for all cases where the Charlevoix County PA had jurisdiction. The Charlevoix County PA billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Charlevoix County PA for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Charlevoix County PA for the period October 1, 1999 through September 30, 2000. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Charlevoix County PA overbilled the FIA for some line items. The State share of the amount overbilled is \$13,146. (See Schedule A.)

Our report recommends the Family Independence Services Administration initiate the process to recoup \$13,146 from the Charlevoix County PA.

PA RESPONSE

The PA did not respond to our draft report.

FINDINGS

Prosecutor IV-D%, and PA IV-D Staff %

1. The Charlevoix County PA overbilled the FIA \$16,483 for personnel costs, \$341 for other direct costs, and \$1,175 for central services costs. The costs overbilled

are from March, April, and May of 2000. The personnel costs were overbilled because the Prosecutor's IV-D % was overstated for those months. The IV-D % was overstated because the Prosecutor counted non-child support time as non-productive time. The other direct and central services costs were overbilled because the overstated IV-D % described above caused the PA IV-D Staff % to be overstated. The PA IV-D Staff % is used to calculate the allowable other direct and central services costs. (See Schedule A.)

Workers' Compensation

2. The Charlevoix County PA overbilled the FIA \$271 for workers' compensation costs. The workers' compensation costs billed were based on a rate that did not reflect the actual workers' compensation costs of the County. (See Schedule A.)

Crime Victims Costs

3. The Charlevoix County PA overbilled the FIA \$213 for non-IV-D costs. The PA Crime Victims costs were non-IV-D costs. The Crime Victims costs were to be deducted from the total PA costs to arrive at the IV-D related costs. Unlike all the other Crime Victims costs, however, \$1,100 of the July 2000 Crime Victims costs were not deducted. (See Schedule A.)

WE RECOMMEND the Family Independence Services Administration initiate the process to recoup \$13,146 from the Charlevoix County PA.

Finding #	Line Item	Audit Period	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	Due (State) County
1	Personnel	10/1/1999-9/30/2000			(16,483)	
1	Other Direct	10/1/1999-9/30/2000			(341)	
1	Central Services	10/1/1999-9/30/2000			(1,175)	
2	Personnel	10/1/1999-9/30/2000	(1,256)	21.61%	\$ (271)	
3	Other Direct	10/1/1999-9/30/2000	(1,100)	19.38%	\$ (213)	

Grand Total of the IV-D Audit Adjustments \$ (18,484)

Calculation of the Payment Due the (State) County

		Paternity Testing	Total	
Audited IV-D Amount	82,074	7	82,081	
IV-D Amount Used for the Payments Actually Made	(100,558)	(7)	(100,565)	
IV-D Audit Adjustment Due (State) County	<u>(18,484)</u>	<u>-</u>	<u>(18,484)</u>	
State Share %	<u>71.12%</u>	100.00%		
	<u>(13,146)</u>	\$ -		<u>(13,146)</u>